

From
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DUE DILIGENCE PRODUCTION LIST**A. CORPORATE RECORDS**

1. Charter documents, including all amendments.
2. Bylaws, including all amendments.
3. Minutes, dating back to the Company' organization, of meetings of the following (or written consents in lieu of meetings):
 - a. Board of Directors
 - b. All Board committees; and
 - c. Stockholders.
4. Material, if available, distributed to members of Board of Directors of the Company and committees in connection with meetings.
5. List of jurisdictions where the Company has substantial contacts; list of jurisdictions in which the Company is qualified to do business and evidence of such qualification; pending applications of the Company to register as a foreign corporation in any state in which the Company is not currently qualified to do business.
6. List of subsidiaries and all of the above-described documentation with respect to each subsidiary.
7. Stock books and copies of stock certificates (including reverse sides).
8. Warrants, warrant agreements and other commitments or rights relating to securities of the Company, including all non-qualified and incentive stock option plans and agreements.
9. List of capital stock, bonds or other securities of, or any proprietary interest in, any other corporation, partnership, firm, association or business organization, entity or enterprise.
10. Stockholder agreements, including voting agreements, voting trusts, proxies, etc.; stock purchase and repurchase agreements; stock restriction agreements.

B. EMPLOYEE BENEFITS AND OTHER EMPLOYMENT MATTERS

1. Pension plan documents, including trust instruments, plan summaries, financial statements and plan evaluations for most recent plan year and most recent actuarial evaluation report; option, bonus, profit sharing, deferred compensation, equity participation, retirement, medical reimbursement, life insurance, disability or similar plans and agreements.
2. Description of management loans, perquisites or other similar arrangements.

3. List of officers and other key personnel and their salaries (indicating the percentages of their time devoted to the Company's business if they are less than full-time employees of the Company). List of all employees who have terminated employment within last twelve months.

4. Employment, consulting, compensation or other agreements or arrangements to which any director, officer or employee of the Company is a party.

5. Consulting or contract service agreements with third parties (including expired agreements).

6. Collective bargaining or other labor agreements, including any side letters.

7. Confidentiality and non-competition agreements between the Company and any officer, director, employee, consultant, representative, supplier or customer.

8. Confidentiality or non-competition agreements to which employees and consultants are parties with their prior employers or persons or entities which have retained them as consultants or the like.

C. MATERIAL AGREEMENTS AND FINANCING DOCUMENTS

1. Leases with respect to any properties (real or personal).

2. Loan agreements (long-term and short-term), indentures, revolving credit agreements, note purchase agreements, notes, other evidences of indebtedness and all related documents, including all amendments thereto, concerning any debt financing.

3. Mortgages, pledges, other evidence of liens or letters of credit securing the obligations described in response to Item C.2 above and otherwise.

4. Corporate and personal guarantees of the obligations described in response to Item C.2 above or other obligations.

5. Any agreements, in principle or otherwise, with respect to mergers, acquisitions or sales of material assets of the Company or acquisitions of the shares or assets of any other business by the Company whether or not consummated.

6. Agreements and offering documents relating to the sale of equity or debt securities.

7. All past and currently effective financing documents, such as sale and leasebacks, installment sales, and all liens and financing statements. All investment contracts.

8. Building or construction agreements for construction or alteration of property, plant or equipment; land purchase agreements; all documents evidencing title to real property, including title insurance policies or title searches.

9. Any joint venture contract or agreement, or partnership agreement, or other agreement involving a share of profits or expenses to which the Company is a party.

10. Documents relating to liabilities and obligations incurred since the last consolidated balance sheet or not fully reflected or reserved against in such balance sheet and documents relating to any contingent liabilities.

11. Any agreement with any broker or agent.

12. Correspondence and internal memoranda relating to any of the above.

13. License, joint venture, software development or any other agreements pursuant to which the rights to use, own, market or license software were or are provided to the Company by any third party.

D. MARKETING, SALES AND OPERATIONS

1. All license, trial evaluation and test agreements with customers, both currently in force and expired or terminated.

2. List of patents, trademarks, service marks, trade names and copyrights, whether registered or unregistered, and copies of all registrations and applications for registration of any of the above, U.S. and foreign. Date of first "publication" for all products (software, manuals, etc.).

3. Distribution agreements, franchise agreements, commission or agency agreements or sales representative agreements.

4. VAR, VAD, OEM and similar agreements.

5. Agreements to provide consulting services or product development services to others.

6. Standard forms of purchase order, sales order, quotation form, software license agreement, nondisclosure agreement, maintenance and support agreement and other documents used in connection with purchase and sale, lease, rental, license, or test of the Company' products or provisions of services by the Company.

7. Customer-provided purchase orders.

8. Any other agreement of whatever kind affecting the technology or proprietary rights of the Company, including but not limited to source code escrow agreements.

9. List and description of major suppliers and major customers (for each of the last three years).

10. Records regarding backlog, sales "pipeline" information.

11. Company organization chart.

12. Schedule of fixed assets.

13. List of current and past commercial and government customers with name, address, and telephone number of contact person.
14. Technical assessments of the Company's products.
15. Marketing plans describing company strategy, marketing and selling strategies, positioning objectives, competition, market share, customer base and prospect base.
16. Price lists including discount schedules and maintenance/support fees.
17. Comparative analyses of competition's products and selling strategies.
18. Product development plans and schedules.
19. Full complement of collateral materials, promotion programs (past and planned), and other sales support literature/materials.
20. Sales compensation and commission plans.
21. Description of existing and planned administrative systems, sales management support systems, order processing system, sales history data base, forecasting processes, and sales progress reporting procedures.
22. Historical data describing sales of each product/product family, expressed in terms of units and revenues. Product cost and margins history data.
23. Market segmentation studies and analyses, including measurement/description of market share, competitors' share, available market opportunity by segment, and projections of opportunity by segment.
24. Historical data describing the sales cycle, expressed in terms of number of calls, elapsed time, common steps in the sales cycle, variations in the average sales cycle by prospect size, type, and market segment.
25. Territory and account planning procedures, and existing territory and account plan documents.

E. REGULATORY MATTERS

All filings, reports, registration statements, correspondence, complaints, consent decrees, determinations, orders, contracts, agreements, litigation, etc., relating to federal regulatory agencies, and all state and local agencies and their foreign equivalents performing similar functions, including, without limitation:

1. Securities and Exchange Commission and foreign equivalents.
2. State securities authorities and foreign equivalents.
3. State Department and foreign equivalents.

4. Department of Commerce (including Office of Export Administration) and foreign equivalents.
5. Equal Employment Opportunity Commission and foreign equivalents.
6. Department of Defense and foreign equivalents.
7. Other (e.g., Department of Justice, Federal Trade Commission, Department of Labor, Internal Revenue Service and foreign equivalents).
8. Schedule of government licenses, permits, permissions, approvals and the like, including under local zoning and other land-use regulations.

F. INFORMATION

1. Brochures of products and services.
2. Press releases.
3. Press clippings.
4. Analysts' reports and industry surveys (by brokerage houses, technical experts, management consultants, etc.).
5. Budgets, forecasts and projections (whether or not published), including any current or past business plans prepared by or at the request of the Company, or relating to the proposed business of the Company.
6. Appraisals of any asset.
7. Texts of speeches by the Company officers.
8. Product documentation of any kind.
9. Description of internal security measures implemented to protect proprietary information.
10. Information on competitors and competitive products.

G. ACCOUNTING, TAX AND INSURANCE MATTERS

1. Accountants reports and correspondence; management letters to the Company (last six years).
2. Financial statements for the Company's last six fiscal years and any interim financial statements along with the name, address and telephone number of the accountant or other person(s) who prepared each of the financial statements.

3. Audit Committee reports to Board of Directors.
4. Internal financial plans, budgets and projections (last six years); review of or comparison with actual results for evaluation of current projections.
5. Any documents relating to material write-downs or write-offs of notes or accounts receivable.
6. Receivables list and aging schedule, along with a listing of product returns over the last two years.
7. Statement of the Company's accounting policies relating to revenue recognition, reserves, capitalization, expense, depreciation, amortization and inventory valuation.
8. All U.S. Federal, U.S. State and U.S. local and foreign tax returns, and supporting workpapers for the Company's last six fiscal years (and any prior open periods), including income, sales, employment, excise and property tax returns.
9. "S corporation" election and any other tax elections.
10. Insurance - policies and information regarding all pending and satisfied claims.
 - a. Property;
 - b. Liability;
 - c. Product liability;
 - d. Life;
 - e. Directors and officers indemnification;
 - f. Accident, indemnity, casualty;
 - g. Business interruption; and
 - h. Errors and omissions.
11. All bank statements for the past three years.
12. List of existing liabilities as of current month.
13. Listing of sources of funding for all software development costs and name, address and telephone number of contact person.

H. LEGAL MATTERS

1. Schedule of all threatened or pending litigation and description of any previous litigation that has been settled or finally adjudicated. Specific description of any asserted and unasserted claims.

2. Litigation files, including pleadings, opinions of counsel, correspondence and analysis of material litigation status, consent decrees, injunctions, etc.

3. All correspondence and documents, including internal notes and memorandums, relating to material contingent liabilities.

4. Counsel's letters to accountants with respect to litigation, contingent liabilities, etc.

5. All correspondence dealing with actual or alleged infringement of patents, trademarks or copyrights, or misuse of trade secrets.

6. Any waivers or agreements canceling claims or rights of substantial value other than in the ordinary course of business.

7. Copies of all legal bills paid in the last three years.

I. PARTNERSHIP, JOINT VENTURE, SOLE PROPRIETORSHIP AND SIMILAR ENTITY

1. Partnership certificates and agreements, including all amendments, for any partnership (either general or limited) in which the Company has an equity interest.

2. Any items referred to in Sections A through H of this checklist that relate to any partnership referred to in Item I.1. (For purposes of this Item, any reference in any other Item to the "Company" shall be deemed to refer to any such partnership.)

3. Any agreement or understanding of whatever nature between the Company and any partnership referred to in Item I.1 or between any of the partnerships referred to in Item I.1.

4. Any item similar in substance to the items referenced in sections I.1, 2, and 3 above related to a joint venture, sole proprietorship, or other entity.

J. MISCELLANEOUS

Any and all other documents and information which could be useful in evaluating your Company and products.